

District of: Alberta
Division No. 02-Calgary
Court/ Estate No. 25-094956

**IN THE MATTER OF THE BANKRUPTCY OF
GEOGLOBAL RESOURCES (CANADA) INC.
TRUSTEE'S PRELIMINARY REPORT**

BACKGROUND

On February 12, 2019, a Bankruptcy Order (the "Bankruptcy Order") was granted in respect of Geoglobal Resources (Canada) Inc. ("GRCI" or the "Company"). MNP Ltd. ("MNP") was appointed as Trustee of the bankrupt estate. The Bankruptcy Order was the result of an application by Export Development Canada ("EDC") who has a claim of approximately \$2.2 million against GRCI (the "EDC Claim"). The Bankruptcy Order can be viewed on the Trustee's website at [https://mnpdebt.ca/en/corporate/Engagements/geoglobal-resources-\(canada\)-inc](https://mnpdebt.ca/en/corporate/Engagements/geoglobal-resources-(canada)-inc) (the "Trustee's Website").

Operations and assets

GRCI is a wholly-owned subsidiary of Geoglobal Resources Inc. ("GRI"). GRI was the parent company of numerous corporate entities operating under the Geoglobal name in various jurisdictions around the world (the "Geoglobal Group").

We understand that GRCI was created as a Canadian holding company for the Geoglobal Group and has not had any active operations since 2013. A search of the Government of Alberta's corporate registration system indicates that GRCI was struck in March 2017. The Statement of Affairs reflects the following assets as being held by GRCI:

1. 100% of the shares (the "GRBI Shares") in a related entity known as Geoglobal Resources (Barbados) Inc. ("GRBI");
2. A loan receivable from GRBI, which was listed in GRBI's financial statements as at March 31, 2018 as having a net book value of approximately \$50 million (the "GRBI Loan"). The director of GRCI has indicated that, in his view, the GRBI Loan is due to GRI and not GRCI but the Trustee has not been provided with any information to substantiate this;
3. Related party loans that are listed in GRCI's financial statements as at December 31, 2011 as having a net book value of approximately \$2.8 million. To date, the Trustee has been unable to locate any additional information regarding the related party loans.

GRBI is involved in oil and gas exploration and extraction with its most significant asset consisting of its interests in nine joint ventures in India. GRBI is currently involved in two legal disputes in India (the "GRBI Litigation"), the outcome of which will have significant implications for both the value of the GRBI Shares and the GRBI Loan.

CONSERVATORY AND PROTECTIVE MEASURES

As previously noted, GRBI did not have any active operations at the date of bankruptcy. As such there was no physical location or assets for the Trustee to take possession of no insurance was required.

BOOKS AND RECORDS

The Company's books and records were being stored at a private residence in Okotoks, Alberta and the Trustee was not provided with access to them until late February 2019. The paper records of GRBI were co-mingled with those of related entities including GRI and GRBI. The Trustee took possession of those paper records that were identified as belonging to GRBI. The storage facility contained several computers and a server that also contained information for the other corporate entities within the Geoglobal Group. The Trustee understood that there may be some difficulty in accessing this information. As such, the Trustee obtained a backup of GRBI's electronic records from the Company's former IT provider.

ASSET REALIZATION AND PROJECTED DISTRIBUTION

The Trustee is currently evaluating their options with respect to realizing on GRBI's assets. As the value of the GRBI Shares and the GRBI Loan are dependent on the outcome of the GRBI Litigation, any recovery is uncertain.

SUMMARY OF CLAIMS

Creditors

At the date of bankruptcy, GRBI listed only unsecured creditors with claims totaling approximately \$2.5 million, including the EDC Claim.

Proofs of Claim

As at 9:00 a.m. on Tuesday, March 19, 2019, the Trustee had received two proofs of claim from the Company's unsecured creditors for approximately \$2.2 million.

REVIEW OF TRANSFERS AT UNDERVALUE

The Trustee is generally required to undertake a review (the "Review") for any transactions that occurred prior to the date of bankruptcy that would constitute a transfer at undervalue or a fraudulent preference as

defined by subsections 95 and 96 of the *BIA* (the "Reviewable Transactions"). As noted above, we understand that GRCI has not had any active operations since 2013, which means that all relevant review periods have expired. As such, unless new information becomes available, the Trustee does not anticipate undertaking the Review.

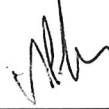
OTHER

EDC has provided the Trustee with an indemnity with respect to their fees and disbursements in administering this estate.

Further information with respect to these proceedings will be made available on the Trustee's Website as it becomes available.

Dated at Calgary, Alberta this 19th day of March 2019

MNP Ltd., as Trustee of the estate of Geoglobal Resources (Canada) Inc., a bankrupt and not in its personal or corporate capacity



Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President